



# The Insurance Report

## REFORMING GEORGIA'S HEALTH INSURANCE MARKETPLACE: HOUSE BILL 923 AND SENATE BILL 380

*By Insurance Commissioner John Oxendine*

Recently I have had new legislation introduced, House Bill 923 and a companion bill, Senate Bill 380, which will subject all rate making requests by health insurance companies to increased scrutiny and require these companies to justify the rates they are charging Georgia policyholders. These bills will also provide safeguards to small business sole proprietors by leveling the playing field and allowing them access to the group insurance market.

The house bill has been sponsored by Representatives Carl Rogers, R-Gainesville, Ben Harbin, R-Evans, Mark Burkhalter, R-Duluth, Jay Shaw, D-Lakeland and Tommy Smith, R-Nicholls. On the Senate side the sponsors are Don Thomas, R- Dalton; Lee Hawkins, R- Gainesville; Tommie Williams, R- Lyons; Bill Cowsert, R- Athens; Eric Johnson, R- Savannah; and Greg Goggans, R- Douglas.

There is no magic fix to our nation's health insurance situation. However, progress must be made because the price of inaction is federally mandated national healthcare. These bills are an important first step in bringing health insurance costs under control.

House Bill 923 and Senate Bill 380 will bring some much needed sunlight to the health insurance rate making process and makes sure that health rates are in line with market realities. Insurance companies writing property and casualty coverage are already required to justify their rate making requests and this market is characterized by stability which is not found in the health insurance market. House Bill 923 and Senate Bill 380 will prevent health insurance companies from issuing new health insurance products at unrealistically low teaser rates only to drastically increase these rates at the first renewal anniversary. Premium rates under the proposed law will be subject to extensive new scrutiny and must be justified before taking effect.

Other aspects of the health insurance marketplace will also be affected by the bill. Small business sole proprietors as well as larger businesses will have greater choice for their health insurance needs. House Bill 923 and Senate Bill 380 will change the definition of small group from two to 50 members to one to 99 members. This change will provide sole proprietors and larger businesses greater access to the health insurance marketplace and greater stability.

The bills further benefits Georgians by increasing competition in the individual marketplace and providing greater policy options. House Bill 923 and Senate Bill 380 requires any insurance company operating in the group marketplace to also participate in the individual marketplace by offering Georgians at least two policy options, one of which must be a consumer driven health insurance policy.

Consumer driven health policies will provide Georgians and their families an opportunity for greater involvement and choice in their health care decisions. These policies will help remove barriers from the operation of an efficient marketplace by providing policy holders incentives for healthier life style choices.

As my father told me once, if you want to get out of a hole, the first thing you have got to do is stop digging the hole deeper. Let's stop digging this health insurance hole. You as Georgia citizens can support this initiative by speaking with your legislators about House Bill 923 and Senate Bill 380. Legislators want to know what is on their constituents' minds, and how they feel about a particular bill. Give them a call and make your opinion known.

With the changes allowed by this bill, we intend to check the rapid rise in health insurance costs. 